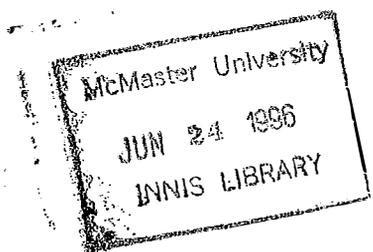




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GLOBAL DIVERSITY IN EMPLOYMENT RELATIONSHIPS: A TYPOLOGY OF FLEXIBLE EMPLOYMENT

By

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Working Paper # 414

March, 1996

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A TYPOLOGY OF FLEXIBLE EMPLOYMENT

by

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GLOBAL DIVERSITY IN EMPLOYMENT RELATIONSHIPS: A TYPOLOGY OF FLEXIBLE EMPLOYMENT

ABSTRACT

Since the 1980s, flexibility in the workplace became a key goal for many companies, particularly in North America, Europe and Australia. Flexibility in using human resources is an issue of interest for companies that want to establish a presence in the global markets. Multinational corporations, as already active players in the global market, are no different than the domestic organizations in their eagerness to improve their positions in the marketplace; and thus, to use a variety of flexibility strategies.

Companies have been using different forms of inter-related and sometimes overlapping flexibility strategies: pay flexibility, job (functional or task flexibility), numerical (or external) flexibility, and working-time flexibility. In this paper we are focusing on numerical flexibility, which can be defined as the use of employees, other than permanent full-time employees, to easily adjust to the changes in global demand for the company's products or services. The academic literature uses a variety of terminologies synonymously for strategies that provide numerical flexibility. Non-standard, peripheral, atypical, marginal, contingent or secondary are the most common terms. The literature suggests that any employment other than permanent full-time (with an indefinite contract limit) falls under the numerical flexibility category. This category broadly refers to: 1) Part-time employees working on a regular (permanent) or casual basis, 2) temporary employees hired depending on the need and may work part-time or full-time hours, 3) contract workers hired to perform specific tasks for a set duration of time, 4) job-sharing where two permanent part-time employees share one full-time job, 5) home-based or teleworkers who work at home on a continuous but piecework basis, and 6) subcontracting where work is performed for the organization by employees of another organization. In the following paragraph we discuss a typology of flexible employment in corporations.

In all organizations employment relationships can be distinguished in two ways: 1) by **the customary work schedule**, and 2) by **the continuity of the employment relationship**. Under the customary work schedule, the employee can work **full-time** or **part-time**. Some companies further divide their part-time employees according to whether they work a relatively fixed schedule of hours. Those with relatively fixed scheduled hours are often called **permanent part-time**, while those who work only when they are needed by the organization are often called **casual** or **occasional part-time**. Under the continuity of the employment relationship, employees can be separated into two groups as **permanent employees**, where employment relationship is continuous and the worker has an indefinite-term employment contract, and as **other employees**, where employees are hired for a limited length of time with a definite-term contract. We believe such a typology is necessary to understand the diversity in employment relationships.

GLOBAL DIVERSITY IN EMPLOYMENT RELATIONSHIPS:
A TYPOLOGY OF FLEXIBLE EMPLOYMENT

Flexibility in the workplace (micro-level flexibility) and labour market flexibility (macro-level flexibility) have been issues of interest among practitioners and academicians in the last three decades. Particularly since the 1980s, a variety of flexible employment strategies have been implemented in the workplace in North America, Europe and Australasia (Zeytinoglu 1994). At the global level, flexibility in using human resources has been an interest for companies that want to establish their presence in the international markets (Bamber & Lansbury 1987, Zeytinoglu 1992a). Such an interest in flexibility has contributed to the creation of global diversity in employment relationships.

Some form of flexibility in employment is used by companies in all sectors. Service sector organizations tend to use more part-time, temporary or contract employees to achieve workplace flexibility (Tilly 1992, Zeytinoglu 1994). Organizations in the manufacturing and mining sectors tend to focus on flexibility measures using existing full-time workforce and negotiating flexibility in hours of work, scheduling, work assignments, and subcontracting (Verma & Chaykowski 1992). Multinational corporations (MNCs), as "engines" of globalization (Campbell 1993), are presumed to be no different than the domestic organizations in using a variety of flexibility strategies (Zeytinoglu & Norris 1994). For example, Bennetton is becoming a "flexible multinational" (Campbell 1991) in its bid to remain cost-efficient. Other MNCs are outsourcing their production or services (UN 1993) to other [often developing] countries. In retail trade, Montgomery Ward of the US and Marks and Spencer of the UK rely heavily on outsourced

production in developing countries; in services, such as in Swissair, most accounting activities are conducted in India (UN 1993:119 & 122); likewise, Digital outsources most of its software writing to India (Romero 1994).

As these examples suggest there is diversity in employment relationships in all sectors and in many countries of the world. In this paper our goal is to contribute to the discussion of creating a comprehensive theory of flexible employment. Our objective is to develop a typology of flexible employment. We first review the literature on the concept and different types of flexibility. We then focus on numerical flexibility which provides employers the freedom to deploy labour depending on need. Next, theoretical approaches explaining flexible employment phenomenon are examined. Building on these theoretical approaches, we present our typology of flexible employment.

THE FLEXIBILITY CONCEPT

Since the early 1960s, industrialized countries have been using various "flexibility" strategies to cope with labour market (macro-level) and workplace (micro-level) problems. While the term "flexibility" is used frequently in all business circles, it has a plethora of meanings and contexts (Atkinson 1987, Blyton & Morris 1991, Lewin & Mitchell 1992, Piore 1986). There are several reasons for the inconsistency in meaning for the term: first, the range of subjects which it covers is substantial; second, the term means vastly different things to different constituencies, such as employers, unions, employees, governments, and intergovernmental organizations; and thirdly, its use is often blatantly ideological reflecting our views and perceptions on the 'value' of flexibility (Atkinson 1987: 88).

Labour Market Flexibility

At the macro-level, the term "labour market flexibility" has taken a variety of meanings (Piore 1986) evolving in the context of changing economic conditions. As Brodsky (1994) discusses, labour market flexibility policies were introduced first in the early 1960s in the Organisation for Economic Cooperation and Development (OECD) member countries. It was a time of low unemployment and tight labour markets. Labour market flexibility was sought by strengthening employment services, training workers for new occupations, and encouraging geographic mobility for workers. The recessionary environment of the mid-1970s, high inflation and unemployment meant policy changes and a move towards a new concept of labour market flexibility. At this time job preservation measures were introduced. Rather than laying off workers, unions and employers negotiated shorter workweeks and workers received unemployment benefits for the hours not worked. In some countries employers received subsidies to keep employees on the payroll.

In the 1980s, discussion of labour market flexibility focussed on inefficient and inflexible labour markets particularly those in Europe. Labour market flexibility in the US was seen as a model for solving unemployment dilemmas (Brodsky 1994). For labour markets, the US model sought to weaken rigidities by removing the disincentives to work, such as overly-generous unemployment compensation and welfare payments, and encouraging workers to relocate to find employment. During this time period, governments in OECD member countries also introduced flexible employment policies as measures to decrease unemployment and increase employment growth. Fixed-term contracts, part-time employment and temporary work increased in almost all the OECD member countries (Bouder 1989, Doeringer et.al. 1991, Galin 1991, Blyton & Morris 1991, Wheeler 1989).

Discussing labour market flexibility, Piore (1986) argues that focusing narrowly on sets of institutional arrangements in isolation can lead to naive and misleading conceptions about what kinds of employment policies are desirable in today's society. He argues that it is too simple to assume that employers in the US have freedom to layoff and discharge workers in response to fluctuations in economic conditions, whereas European employers are constrained to give more or less permanent employment. Piore shows instead that there are different flexibility approaches in Europe and in the US and that the issue should be examined within the context of the corporation's reasons for using flexible arrangements.

For the 1990s, the goal of increasing labour market flexibility remains important at the global level. Policy makers are returning to employment policies of the 1960s (Brodsky 1994), encouraging governments to support measures such as training and re-training workers, developing employment-related skills, and taking initiatives to help job seekers find employment (Biagi 1993). Policy makers are also promoting measures to increase micro-level (workplace) flexibility.

Workplace Flexibility

At the micro level, flexibility refers to policies implemented in the internal labour market of the firm. The experience of the 1980s showed that companies are using different forms of inter-related and sometimes overlapping flexibility strategies (Bamber 1992). Flexible employment arrangements in the workplace are predominantly demand-driven and usually initiated by employers (Beechey & Perkins 1987, ILO 1989, Jensen, Hagen & Reddy 1988, Nollen, Eddy & Martin 1978, Lewin & Mitchell 1992, Zeytinoglu 1991 & 1992b). Supply-driven cases, where employers adapt to changing employee desires are few, not randomly distributed across sectors

and occupations, and seem to be less common in the highly unionized sectors (Lewin & Mitchell 1992). Supply-driven flexible employment arrangements exist predominantly in professional occupations where workers as individuals or through their union have the ability to negotiate (voluntary) part-time, job-sharing, flexiwork and similar other arrangements (Tilly 1992, Zeytinoglu 1993a).

Researchers have attempted to categorize the flexibility approaches in groups of three (Atkinson 1987, Delsen 1992), five (Capelli & McKersie 1987) and even eight types (Bamber 1992). In the following paragraphs, we will give an overview of most common approaches to workplace flexibility: numerical, functional, pay (wage) and working-time flexibility (Blyton 1991b, Sullivan 1992). Then we will briefly examine other flexibility measures.

Numerical Flexibility. This flexibility refers to two employer strategies: 1) flexibility in scheduling work during peak periods and/or providing continuity of work, and 2) flexibility in employment decisions such as hiring, firing or unilaterally decreasing the workers' hours of work (Zeytinoglu, 1992). Thus numerical flexibility provides employers the ability to adjust the number of workers or the hours worked according to the changes in the level of demand for employees or changes in technology, in a variety of employment types such as part-time, temporary employment, subcontracting (Atkinson 1987, Brodsky 1994, Delsen 1992). Numerical flexibility is also referred to as external flexibility (Bamber 1992) since most of the employees in these flexible jobs are perceived as external to the organization working in part-time, temporary or contract jobs. In the last two decades there has been a tremendous increase in the number of workers employed in jobs that provide employers numerical flexibility (Bulletin ... 1994, Zeytinoglu 1994).

Functional Flexibility. Also called job or task flexibility, this flexibility refers to the ability to reorganize jobs within the workplace so that workers acquire skills to perform a broad range of tasks (Atkinson 1987). It implies a reversal of the "traditional" division of labour from fragmentation to integration of tasks (Bamber 1992, Sullivan 1992). In a way, workers who were "specialists" become "generalists." Functional flexibility exists in both unionized and nonunion workplaces. A recent study shows that in both Canada and the US, there are either changes taking place or there is an interest among the stakeholders in introducing functional flexibility in mining, steel, telephone and textile industries (Chaykowski & Verma 1992). In most Canadian organizations, however, narrow and demarcated job definitions are still predominant (Betcherman, McMullen, Leckie & Caron 1994: 34).

Under functional flexibility, job classifications are becoming broader, restrictive work rules are being phased out and multi-skilling is gaining acceptance. In the US, these changes are taking place within the broad and diverse workplace transformations (Appelbaum & Batt 1994). In Australia and Britain there is also an increasing trend towards functional flexibility (Bamber 1992).

Capelli & McKersie (1987) argue that functional flexibility may be either horizontal or vertical. Horizontal flexibility refers to the demarcation of boundary lines in jobs and redraws the boundaries. In this type of flexibility, the worker is given the training and the jurisdiction to perform a variety of same-level skills. This is often called "multi-skilling" (Sullivan 1992). Vertical flexibility indicates that there is a hierarchy of skills, status and a pattern of authority within tasks. Vertical flexibility can be upwards or downwards mobility (Bamber 1992). The former refers to situations where lesser-skilled employees perform tasks traditionally performed by higher-skilled employees, and the latter refers to situations where higher-skilled employees

take over tasks of lesser-skilled ones.

Pay (Wage) Flexibility. Pay flexibility includes adjustments to pay based on macro-economic changes, firm- or individual-specific performance factors or variations in the total reward mix according to personal or group preference. The concept of pay flexibility, in its simplest form, assumes that 'pay' rather than 'employment' should be flexible (Sullivan 1992).

Mitchell (1991), focusing on the US, shows that employers generally introduce flexible pay systems with a goal to improve productivity, loyalty and morale among the workforce. Mitchell describes a variety of pay flexibility schemes but says that most can be summarized as individual or group incentive plans, profit- or gain-sharing programs, employee stock ownership plans, pay for knowledge schemes and lump sum bonuses. A recent study in Canada (Betcherman, McMullen, Leckie & Caron 1994: 41) shows that the incidence of flexible pay practices is uneven among Canadian industries, and flexible pay practices are more common in large establishments undergoing substantial technological change and nonunionized.

Working-time Flexibility. This flexibility is also referred as "temporal flexibility" (Blyton 1991a). It includes adjustments to the standard work day or work week schedules (Bamber 1992). The rationale for establishing working-time flexibility is to give employers the ability to adjust the hours of work and staffing needs depending on fluctuations in customer demand. Working-time flexibility can take the form of shift work, flexitime, compressed work weeks, part-time work or short-term employment contracts. The first three are the more common working-time flexibility schemes in many countries such as Australia (Deery & Mahony 1994, Stewart 1991), European Union countries (Gasparini 1991, Treu 1992), Canada (Venne 1990), the US

(Mitchell 1991) and other countries (Galín 1991). The latter two (i.e. part-time work and short-term employment contracts) overlap with numerical flexibility measures.

While shiftwork has been a common feature in many workplaces for a long time, flexitime and compressed work week are fairly new schemes. Flexitime refers to the work environment where employees decide their own work schedules subject to some constraints. Flexitime generally has two constraints: (a) workers have to be present for a defined core work period, for example 10 am to 3 pm; and (b) a full "day" should be worked even though individual's starting and leaving times can fluctuate. Employers usually prefer that individual employees follow a relatively consistent schedule, that is, either start and leave early or start and leave late. Compressed workweek refers to arrangements where the full hours of work are covered in other than the traditional five-day week of eight hours per day (Venne 1992). For example, employees may work 10 hours a day for four days.

Other Flexibility Categories. There are two other types of flexibility that we would like to mention: procedural flexibility and regulatory flexibility. Procedural flexibility is a micro-level flexibility initiated and implemented at the workplace level, while regulatory flexibility is a macro-level flexibility directly influencing workplaces (Bamber 1992). The former refers to the process of introduction of actual flexibility measures, whether broad or narrow in scope or permanent versus temporary. Regulatory flexibility can be illustrated by the relaxing of public policies which restricted the use of temporary or part-time contracts. Regulations for flexibility are relatively loose in the US and to a lesser degree in Canada as well. Recent evidence from Europe suggests that labour laws and regulations have been amended to make it easier to implement flexible labour force strategies while protecting certain groups of employees such as

part-time, teleworker and agency workers ("Getting..." 1993, Keller 1994, "Sharing..." 1993).

NUMERICAL FLEXIBILITY: EMPLOYEE DEFINITIONS

Numerical flexibility, the predominant workplace flexibility pattern, is defined as the use of employees other than permanent full-time employees to respond easily to changes in global demand for the company's products or services. The academic literature uses a variety of terminologies for strategies that provide numerical flexibility. Non-standard, peripheral, atypical, marginal, contingent or secondary are the most common terms, but definitions vary. The literature suggests that any flexible employment (other than permanent full-time with an indefinite contract limit) falls under the numerical flexibility category (Zeytinoğlu 1994).

As one flexibility strategy, numerical flexibility has generated wide interest, in both academic and practitioner circles, with hope and concern. While there are some upbeat and positive opinions that part-time, temporary, or contract work is the "future of employment" where individuals choose when and where to work, there are concerns that such jobs give neither security nor stable income to employees and thus people cannot plan for their future (Beechey & Perkins 1987, Doeringer et.al. 1991, Kassarow 1989, Keller 1994, Kühl 1990, ILO 1989, Hagen, Jenson & Reddy 1988, "Reconciling ..." 1994, Romero 1993, Sarfati & Kobrin 1988, Zeytinoğlu 1992c, 1994).

Employee groups in this category are defined below (Belous 1989, Doeringer et.al. 1991, Hootsmans 1992, Hunter, McGregor, MacInnes & Sproul 1993, Wheeler 1989, Meulders & Tygat 1989):

1) **Part-time workers** are employed less than full-time hours but on a regular (permanent,

retention) or casual (occasional) basis (Tilly 1992, Zeytinoglu 1991). Regular part-time workers have a relatively fixed schedule or number of hours. Casual part-time employees work as needed by the organization. In most countries, part-time work is the fastest-growing group among the flexible employment types ("Bulletin..." 1994, Betchermen, McMullen, Leckie & Caron 1994).

2) **Temporary employees** are hired to fill some specific organizational need and may work part-time or full-time hours. These temporary workers may be drawn from an organization's pool of temporary workers or may be hired from an employment agency.

3) **Contract workers** can be dependent contractors or self-employed persons hired to perform discrete tasks for a specified period of time. The work can be conducted on a part-time or full-time basis. "Project work" and contracted services fall within this category (eg. installation of new computer system, or janitorial services, respectively).

4) **Job-sharing** is an employment form where two permanent part-time employees share one full-time job.

5) **Home-based or teleworkers** work at home on a piecework basis depending on the need for their services. They can be employees of an organization or self-employed contractors (Zeytinoglu 1992c & 1993b).

6) **Subcontracted workers** are employees of a separate organization who perform work subcontracted by the employer-in-need. The work may be performed at the premises of the employer-in-need, at the subcontractor's or elsewhere, most often on a continuing basis.

THEORETICAL APPROACHES TO NUMERICAL FLEXIBILITY

Theoretical approaches to explaining numerical flexibility are evolving as our understanding of these new types of employment changes. As Sullivan (1992: 90) argues "there

is no such academic subject as flexibility with a set of constructs and theory of its own." Hence, there have been a number of theoretical explanations of numerical flexibility. At the macro-level, the part-time, temporary and other similar employments have been discussed under dual (or segmented) labour market theory; and at the micro-level, core-periphery theory has been applied.

Dual (segmented) labour market theory argues that labour markets are segmented into primary (or core) and secondary (or peripheral) labour markets (Doeringer & Piore 1971). The primary labour market is characterized by high wages and benefits, good working conditions, possibilities for advancement and promotion, on-the-job training and relatively stable tenure. Secondary labour markets have the opposite characteristics. Part-time and other new forms of employment are placed in the secondary labour market.

At the workplace level, the emphasis is on the dual employment structures in **internal labour markets** (ILMs). The original ILM theory (Doeringer & Piore 1971) was derived from studies of large, predominantly unionized workplaces, typically found in the manufacturing sector. The ILM theory focused on the core workforce with hiring into entry level positions, promotion from within, and a set of administrative rules or collective agreements defining employment possibilities and training.

An increase in the relative share of flexible employees (eg. part-time, temporary or contract) to permanent full-time workers, at the workplace level, suggests the application of dual labour market theory to the ILMs. The predominant explanation of the duality in ILMs is the "**core-periphery**" conceptualization originally developed by Atkinson (1987) and widely used in studies related to part-time and other similar nonstandard workforces (see for example, Beechey & Perkins 1987, Blyton & Morris 1991, Green, Krahn & Sung 1993, Hagen, Jenson & Reddy 1988, Wheeler 1989, Marginson 1989, Zeytinoglu 1994). Core-periphery theory

acknowledges the existence of a dichotomous employment structure in organizations, whereby full-time workers are the core group, and part-time workers are employed at the "edges" of the workplace. The core group is characterized by employees with permanent status who are central to the long-term future of the organization. Training and development resources are allocated to them, and they are more likely to enjoy good career and promotion prospects than are the peripheral workers. The peripheral group has less access to promotion opportunities and receives little investment in training by the organization (Zeytinoglu 1992).

Osterman (1982, 1987) argues that within one firm several distinct industrial relations subsystems can co-exist. He recognizes four employment subsystems in ILMs - industrial, salaried, craft and secondary - with each having different characteristics based on job classifications, deployment rules, employment security and wage rules. Part-time and temporary jobs are placed in the secondary subsystem. Others (Camuffo & Costa 1993, Sherer & Lee 1992) argue that, while the above literature provided important insights into how organizations mixed ILMs with secondary labour markets within firms, the literature did not show that there are many other hybrids. For example, Sherer & Lee (1992) found seven clusters of employment relationships in their U.S. based data; Hunter, McGregor, MacInnes, Sproul (1993) found that in the example of Britain, there was a heterogeneity of the periphery. It did not consist of a mass of poorly paid, unskilled workers in insecure part-time or temporary jobs. In addition, they found that many peripheral workers preferred part-time, intermittent or temporary employment, or chose to be self-employed. Cohen & Haberfeld (1993) also argued that viewing temporary help service workers as a homogeneous group of secondary workers was not warranted.

Focusing on part-time employment only, current researchers demonstrate the important differences between types of part-time employees. For example, Zeytinoglu (1991, 1992b)

showed that part-time workers in the secondary labour market of the firm were further divided into two as regular and casual part-time workers. Casual part-time workers were found at the outer edges of the periphery, relative to regular part-time workers. In an earlier study, Nollen, Eddy and Martin (1978) showed that permanent part-time employment had different characteristics in the part-time labour market. Kahne (1985) discussed two categories of part-time employment: "Old Concept" and "New Concept." New Concept part-time workers were permanent workers with career potential rather than the Old Concept temporary or intermittent workers. Building on Kahne's New Concept part-time employment, Tilly (1992) showed that there is dualism in part-time employment. Retention (permanent) part-time jobs were located in the primary labour market of the firm and secondary part-time jobs were located in the secondary labour market of the firm. The former were designed by employers to attract or retain valued workers who prefer to work part-time. The latter jobs, often held by involuntary part-time workers, provided employers the advantages of lower labour costs and scheduling flexibility. Tilly (1992) showed that, nevertheless, secondary part-time jobs predominate among part-time employment.

Although part-time workers are the largest group of employees in the secondary labour market, there are many kinds of flexible employment relationships. In the following section we combine numerical flexibility approaches with some of the working-time flexibility strategies and develop a typology of flexible employment at the workplace level. Our typology builds on the recent arguments of duality and multiplicity in flexible employment.

TOWARDS A TYPOLOGY

Two characteristic dimensions of all employment relationships are used to create a typology which serves as a framework for a further study of flexible employment. The two dimensions are continuity of the employment relationship and the customary work schedule. Both of the dimensions are split into two aspects. **Continuity of relationship** refers to whether there is a continuing employment relationship in which employees are in more or less permanent, indefinite contracts, or whether they are employed for a specific, limited length of time, that is, in definite contracts. The distinction is often drawn by employee and employer expectations as well as by payroll and human resources practices. The dichotomy separates those employees who are "in the system", that is, in the organization's payroll files, from those employees for whom *ad hoc*, often temporary, payment procedures are followed.

Customary work schedule refers to the hours an employee normally works, relative to the organization's standard work week. This dimension distinguishes employees by whether they work a full "customary work week" or less. Those employees who work the full customary work week are termed "full-time". Those who work less than the full customary work week may work regularly scheduled hours (eg., three days a week for eight hours or three hours a day for five days) or they may work only the hours needed on an irregular, part-time basis (eg., they work when called in, but otherwise do not have a regular schedule). The former are termed "permanent part-time" which recognizes the steady nature of their association with the organization, while the latter are termed "casual (or occasional) part-time" which refers to the intermittent nature of their contribution.

The typology that we present here categorizes employment relationships into five types (see Figure 1). It is developed based on the literature, our accumulated research on part-time and

other nonstandard work, and interviews with practitioners from the service sector¹. In interviews we focused on the service sector because globally, employment growth has been greater in the service sector than in manufacturing, and the largest and fastest growing flexible employment type, part-time employment, is predominant in this sector (Bulletin ...1994, Romero 1993, United Nations 1993, Tilly 1992, Zeytinoglu 1994). In our typology we use terminologies that are commonly accepted and easily understood by both academics and practitioners, but the variety of terms used (and of definitions applied to the same term) in the two "camps" necessitates carefully worded definitions.

As presented in Figure 1, a typology of flexible employment, we argue that in all organizations employment relationships can be distinguished in two ways: **by the continuity of the employment relationship**, and by **the customary work schedule**. Under the continuity of the employment relationship, employees can be separated into two groups as **permanent employees**, where employment relationship is continuing and the worker has an indefinite-term employment contract, and as **"other" employees**, where employees are hired for a limited length of time with a definite-term contract. Under the customary work schedule, the employee can work **full-time** or **part-time**. The latter is further divided according to whether they work a relatively fixed schedule of hours (**permanent part-time**), or they work only when they are needed by the organization (**casual** or **occasional part-time**).

The types are defined so that any employee can be grouped into one of the five categories and core employees can be distinguished from peripheral types, that is, those most often used to

¹In the summer of 1993 we conducted 5 interviews with human resources managers from selected service sector organizations to clarify the use of terminology. In previous years the first author also had four interviews with corporate level human resources directors, plant/store level human resources and/or industrial relations managers. The service sector organizations selected for interviews were in health care, finance, hospitality and retail trade.

provide flexibility. Some examples of persons and positions within each type demonstrates the method of categorization.

Category 1: Permanent full-time includes all employees who constitute the core, the ILM, and often the primary labour market. Permanent full-time workers have full-time regularly scheduled hours of work in a continuing employment relationship with the employer. This category offers employers little opportunity for numerical flexibility, but functional, pay, and working-time flexibility strategies may be implemented to improve productivity.

Category 2: Permanent part-time positions are widely used in the service sector, especially in health care (part-time nurses or aides), in retail (part-time sales people cover busy hours), and in the hospitality sector (room cleaners work in mornings, servers cover meal times). The permanent part-time includes employees in a continuing relationship in a relatively fixed schedule or number of hours. In this relationship employers benefit from employees experiences, while employees enjoy steady work and pay, often including some benefits. Although some of these workers might prefer full-time work, others, especially in higher paid positions, desire time for non-work activities. The permanent part-time category allows employers the full range of flexibility strategies, including numerical flexibility.

Category 3: Casual part-time refers to the pool of experienced persons which an organization maintains in the payroll system who may be called in to work as needed. In health care, for example, casual part-time nurses might cover unexpected illness or emergency needs; in hospitality, serving staff might be arranged to cover convention meals or special events. These individuals are considered employees but they typically work irregular hours, with short notice, and generally do not receive employer paid benefits (that are above and beyond the legally required). It is the continuing nature of the employment relationship which differentiates these

employees from other casual labour, such as might be arranged through a temporary agency.

Category 4: Other full-time and **Category 5: Other part-time** are distinguished by their limited-term contracts. They may work full-time or part-time, when they work. Employees in these categories cover a wide range of job levels and types. In the lower paid echelons are casual labourers, for example a seasonal worker. At the higher end are professionals, for example an accountant or lawyer. They may be hired as independent contractors on a project basis working full-time for the duration of the project or they may be engaged periodically or intermittently such as at tax time. This category accounts for services which are "outsourced" as well "in-house" limited projects. If the organization, for example, contracts out janitorial or catering functions, they are assumed to have done so to increase flexibility in payroll costs and to provide options should they wish to expand or contract the business.

It is important to recognize that many forms of flexible employment involve highly paid and specialized professionals, albeit in relatively small numbers. This business use can be overlooked by academics if they categorize part-time or peripheral employees as a simple substitution of variable costs versus fixed labour expenses. The typology presented here serves to alert researchers to the many and varied forms of employment relationships which now exist and to provide a consistent framework for monitoring changes in relative proportions as they occur over time.

CONCLUSION

This paper presents a typology of employment relationships which can serve as a consistent framework to categorize existing types of both core and peripheral employment. The typology offers researchers the opportunity to understand the current extent of various flexible

employment strategies and to monitor changes over time. Both workplace (micro-level) flexibility and labour market (macro-level) flexibility can be described with this typology.

The use of flexible employment strategies is increasingly important as organizations strive to adapt to competitive challenges in an uncertain economic environment. Pressures apply to all business sectors, though service sectors now as in the past, are more sensitive to fluctuations in consumer demand thus using increasingly more flexible employment strategies. The search for productivity increases through employment flexibility is common to all industrialized countries.

Theoretical roots of the study of flexible employment can be traced to studies of dual labour markets and internal labour markets. The former theory is usually used to explain macro-level labour force issues of supply and demand, while the latter deals with issues internal to the individual organization. The concept of labour flexibility necessarily crosses these boundaries in that the "flexible" or peripheral employees are drawn from both the primary and secondary labour markets, and they may be used within the firm in peripheral as well as primary positions.

In studying flexible employment issues, one problem the researchers face is the plethora of terms and definitions, and theoretical/ conceptual approaches. Our typology presented here adds to the discussion of creating a comprehensive theory of flexible employment. The typology helps to standardize categories and apply simple, easily understood definitions, for use by academicians and practitioners. Our typology collapses the wide range of terms and definitions while retaining meaning and allowing classification.

Our proposed typology can be used to evaluate the extent and use of different employment relationships; the relative proportion of employees in the different relationships can clarify the specific strategies which are available to the firm, and the ones which are currently in use. An organization with a high percentage of permanent full-time employees is, for example, limited

in its use of numerical flexibility, while a firm with a low percentage of full-time permanent staff has more options, such as wage, functional, flex-time, numerical, and others.

Figure 1: A Typology of Flexible Employment

		CONTINUITY OF RELATIONSHIP	
CUSTOMARY WORK SCHEDULE		PERMANENT	OTHER
		<p>Permanent employees</p> <ul style="list-style-type: none"> - on company payroll - continuing employment relationship 	<p>Hired for specific, limited length of time, for a specific purpose</p> <ul style="list-style-type: none"> - May be paid directly by company - May be hired through employment agency - May work full- or part-time hours when working - Do not have permanent and continuing employment relationship
FULL-TIME Employees who regularly work the number of hours scheduled in the employer's standard work week.		<p>PERMANENT FULL-TIME</p> <ul style="list-style-type: none"> - includes employees who regularly work full-time hours in a continuing relationship 	<p>OTHER FULL-TIME</p> <ul style="list-style-type: none"> - When employed, they work the full standard work week - Includes temporary workers (such as casual labour, independent contractors or self-employed) who work full-time
<p>PART-TIME Employees who typically work less than full-time hours</p> <p><u>Permanent</u>: have a relatively fixed schedule or number of hours</p> <p><u>Casual</u> or <u>Occasional</u>: work as needed by the company</p>		<p>PERMANENT PART-TIME</p> <ul style="list-style-type: none"> - includes employees in a continuing relationship who work less than full time hours - have a relatively fixed schedule or number of hours 	<p>OTHER PART-TIME</p> <ul style="list-style-type: none"> - When employed, they work less than the full standard work week - Includes temporary workers (such as casual labour, independent contractors or self-employed) who work part-time
		<p>CASUAL PART-TIME</p> <ul style="list-style-type: none"> - includes people who are considered employees, but they work only as needed, and do not have regular schedules 	

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